

5/027/080



United States Department of the Interior
BUREAU OF LAND MANAGEMENT
FILLMORE FIELD OFFICE

35 East 500 North
Fillmore, Utah 84631



In Reply Refer to:
3600
(U-010)
UTU-079455

January 15, 2004

CERTIFIED MAIL #700302260 0005 6848 5356
RETURN RECEIPT REQUESTED

DAVE PETERSON
RESIDENT AGENT
DELTA MINERALS INC.
545 S OAK DR.
WOODLAND HILLS UT 84653

On November 4, 2003, we sent you a letter giving you until December 1, 2003 to remove all Delta Minerals Inc.'s (DMI) property from its sale site in T. 15 S., R. 11 W., Section 12, in order to avoid conversion of the property to the ownership of the United States Government and forfeiture of financial guarantee for reclamation. You received that letter on November 7, 2004³ and on November 24, 2004³, you called Sheri Wysong of this office and informed her that all the property would be removed by the deadline, and that reclamation would begin shortly thereafter. A field inspection conducted on January 8, 2004 revealed that some property, two large empty fuel tanks in an inadequate containment pond, one large silo/hopper, one metal loading ramp/platform, and various bits and pieces of metal still remain on site, and that no reclamation has taken place.

On January 14, 2004, you called Sheri Wysong and told her you had plans to begin a new operation, which would utilize DMI's remaining property. However, until you have an approved sales contract in place, you have no authority to leave the property at the site, or to delay reclamation. Therefore, within 15 days of receipt of this letter, you must submit a purchase proposal that we can approve in an expedited manner. Since DMI is a defunct corporation, its operation exceeded five acres in disturbance, and your proposal must also be approved by the Utah Division of Oil, Gas and Mining (UDOGM), we suggest that you submit a Small Mine Plan (application enclosed) to UDOGM that

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DIV. OF OIL, GAS & MINING

does not exceed five acres in size. You should submit the same mine plan to us along with your purchase proposal. Since the proposal is within the scope of DMI's mine plan that we have already completed an Environmental Analysis for, we should be able to process the new mine plan within 30 days. Upon our approval of the sale, we will give you 15 days to submit either the entire contract price or, if it's over \$2000, the first installment payment. The first installment payment will consist of the greater of \$500.00 or 5% of the entire contract.

UDOGM will also require a financial guarantee for reclamation. If it is over \$500 and is submitted jointly to both agencies, we will accept their financial guarantee as adequate for the sales contract. However, we will retain DMI's financial guarantee of \$11,000 until such time as a mine plan has been approved that covers the entire extent of DMI's six acres of disturbance, and a corresponding financial guarantee has been accepted.

If you fail to meet any of the deadlines specified in this letter, all property left on site will become the property of the United States, and we will revoke DMI's bond and use the funds to contract out the reclamation to a third party contractor. If you have any questions, please feel free to contact Sheri Wysong at (435) 743-3124.

Sincerely,



Glen Nebeker
Acting Area Manager

Enclosures

Small Mine Plan Application

cc: Tom Munson, UDOGM (S/027/080)